

**Comments of Bettina Damiani, Good Jobs New York
Before the New York City Industrial Development Agency
March 5, 2009**

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Regarding proposed subsidies for Related Retail Armory, LLC.

Good morning, my name is Bettina Damiani, Director of Good Jobs New York, a joint project of the Fiscal Policy Institute with offices in Albany and New York City, and Good Jobs First, based in Washington, DC. Good Jobs New York promotes accountability to taxpayers in the use of economic development subsidies.

The proposal of “Shops at the Armory” had been the diamond in the rough for proposed developments during the Bloomberg Administration as the Economic Development Corporation for the first time engaged community members in the planning of the development of the Kingsbridge Armory. But today the proposal to provide the Related Companies with tax breaks estimated at \$13.8 million (\$10 million of which will be over just the next four and half years) reverts back to a process that is unaccountable and relies on undemocratic planning principles by ignoring the most basic employment concerns from residents.

The amount of public dollars proposed by the IDA for the project (and the estimated sale of the Armory for only \$5 million) and the other subsidies it is eligible for including \$43 million from historic tax credits, should be used as leverage to benefit Bronx residents. The following concerns must be addressed before moving forward with subsidies for the Related Companies:

Engage the Task Force

The New York City Economic Development Corporation deserves credit for including community members in a task force when planning for redevelopment of the Kingsbridge Armory. Including residents in the early phases of project planning promotes a more transparent, efficient, fiscally viable and accountable development process.

Yet, for reasons unknown to us the Armory project has moved substantially forward without the task force. It is critical that EDC and the IDA re-engage the residents immediately. Many members of the Kingsbridge Armory Redevelopment Alliance (KARA) are at this hearing but they had not been told that this hearing was taking place until our organization alerted them.

Including community members at planning meetings and reaching out to them in advance of any and all public hearings is a crucial first step towards incorporating residents in the development process, it is only a first step. Neighborhood residents must be actively engaged throughout the process with their concerns and suggestions must be addressed.

Subsidies Should Leverage Good Jobs

According to Related’s application for benefits, the project is expected to create approximately 1,200 full-time *equivalent* jobs and pay what is currently the average retail

wage in the Bronx. This community deserves and needs good-quality jobs rather than the part-time jobs with no benefits and a quarterly wage of just \$6,700, as the application estimates. Why would the IDA consider investing tax dollars in a project that expects the status quo? The bar must be set higher.

Additionally, despite resident demands that community members have priority for jobs at the project, the company is leaving hiring decisions to the discretion of individual retailers. Although Related says it will “work to encourage local hiring,” this is insufficient.

Environmental Impacts

The IDA application raises serious concerns about the potential for hazardous toxins during the rehabilitation of the Armory. While details will be available in the forthcoming Draft Environmental Impact Study regarding this, it is disconcerting that the board is expected to approve public financing without more details.

The Armory project was on target to be the gold standard development in New York City. It still can be if local taxpayers – meaning residents whose lives will be directly impacted – are respectfully brought to the decision making table and good jobs are guaranteed.

Thank you for considering our testimony.